

Albany High-Speed Rail Case Study Summary



Albany Mayor
Gerald D. Jennings

"High-speed rail between New York City and the City of Albany will have a transformative effect upon the City and Capital Region.

While we currently have rail service, the prospect of significantly reducing travel times and increasing the frequency and efficiency of service between downstate and upstate will benefit our region's economy and overall quality of life. New businesses will be able to locate in our region because of the convenient and reliable connection to the New York City metropolitan region, bringing with them jobs for all segments of our population. The connection will bring a diversity of new residents to live and work in our cities, making our neighborhoods thriving mixed-use and mixed-income communities of choice, as well as thousands of visitors who will take advantage of our cities and region's wealth of cultural and recreational opportunities.

Albany will become an attractive alternative for businesses; individuals and families who are looking for an affordable urban lifestyle, while remaining within a short and regular commute to the New York City Region."

City and Region Definition. Albany, New York State's capital, is located 142 miles north of New York City along the Hudson River. It's part of the Capital District Region, comprising Albany, Rensselaer, Schenectady, and Saratoga Counties. The region sits at a crossroads, with Boston to the east, New York City to the south, Buffalo to the west, and Montreal to the north. The City of Albany has a population of more than 94,000; the four-county Capital District region, more than 850,000; and the larger Albany-Schenectady-Amsterdam Combined Statistical Area, 1.1 million. The region's population has been increasing at a rate almost twice as fast as New York State's average.

Economy

Institutional Sector

State government employment constitutes more than 21% of the jobs in the Capital District. The service industry is also a significant employer, with a concentration of restaurants and professional services that support the government sector. The region is also home to several colleges and universities, including the State University of New York at Albany, Rensselaer Polytechnic Institute, Skidmore College, the College of Saint Rose, and two community colleges. There are large hospital complexes in both Albany and Schenectady.

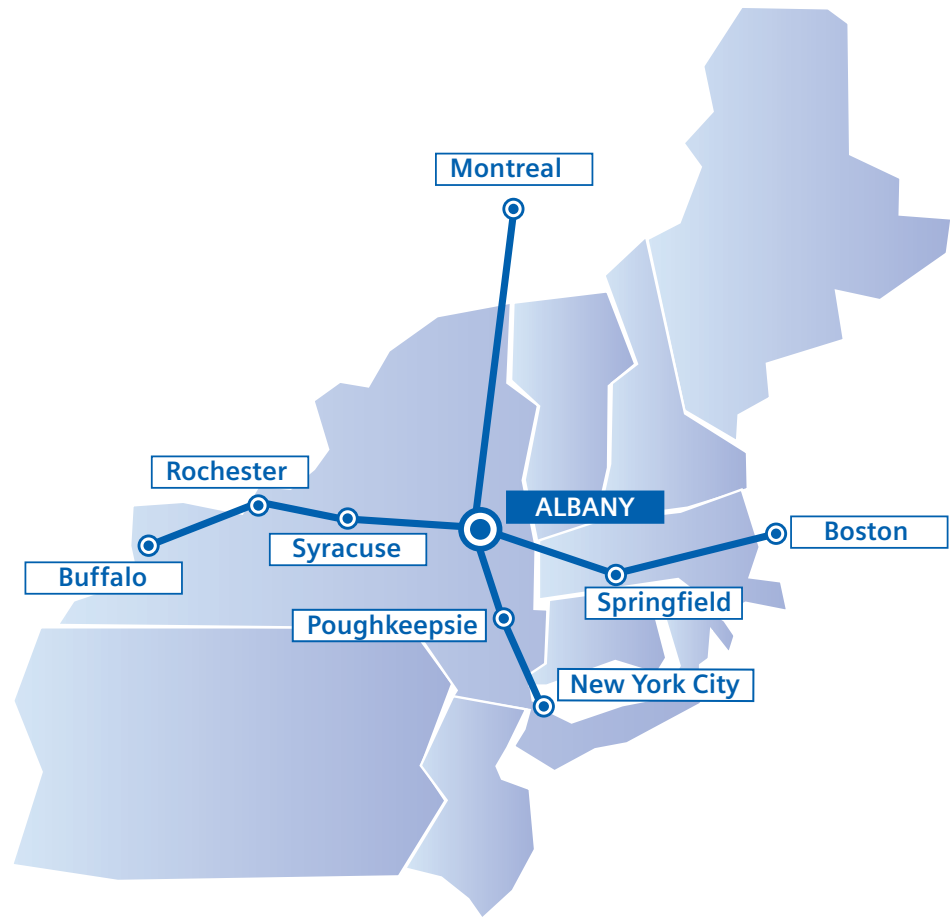
Technology Sector

The Capital District is part of the 19-county Tech Valley, a region of New York that runs from just north of New York City north through the eastern Adirondack Mountains. Tech Valley is being marketed as an emerging high-tech manufacturing and research center. Research institutions in the Capital District have successfully attracted new investments, leading to growth in the technology sector. Albany Nanotech, a university-based research center opened in 2003, is recognized as the preeminent nanotechnology center in the United States.

Tourism Sector

The Capital District's regional economy benefits from a strong and growing tourism sector. The Albany capital area attracts nearly \$900 million per year in tourism, while the adjacent Saratoga area attracts almost \$400 million. A new \$185 million convention center/hotel complex, planned for downtown Albany, is expected to further increase business-related visits. Currently, the region hosts approximately 120,000 convention delegates each year. This number is projected to rise to around 250,000 when the new convention center opens. The new facility will include two full-service hotels.

Figure 4. Proposed Initial HSR Intercity Passenger Routes Serving Albany



Current and Proposed High-Speed Rail Routes

Current plans call for increasing the current 26 trains per day (13 round trips) between Albany and New York City to 32 per day in the initial phase and ultimately to 44 trains per day with 110 mph service. Syracuse and Utica/Rome will increase from the current eight trains per day to 26 trains per day, and service to Rochester and Buffalo is expected to increase from eight trains per day currently to 22 trains per day under the 110 mph scenario. Independent estimates developed for this study indicate that annual demand for the Albany-New York City route range from

approximately 1.1 million under the slower 79/90 mph design scenario to 2.3 million for 220 mph service. Demand on each of the four routes for the 79/90, 110 and 220 mph operating scenarios are shown in Table 8.

Current Passenger Rail Service. Currently, Amtrak provides rail service to three Capital District stations. The Albany-Rensselaer station is located in the City of Rensselaer, directly across the Hudson River from downtown Albany. The station is also served by local buses and taxis. The Schenectady station, served by the Empire Amtrak service, is located in downtown Schenectady and includes local bus connections. The Saratoga Springs station is approximately one and one-half miles from downtown Saratoga and features express bus service to Albany.

Quantitative Assessment of Potential Economic Development Impacts

Types of Economic Impact. High-speed rail service will provide economic advantages to the City of Albany and other cities in the Albany metropolitan areas including Schenectady and Saratoga Springs. These advantages come as a result of enlarged visitor and tourism markets, reduced travel time and greater connectivity to New York City, other cities around the state, and associated business productivity gains. The ability of high-speed rail services to expand labor markets and business travel opportunities also enables it to support the growth of office activities and services that support state government, emerging nanotechnology, clean energy and computer chip-related industries.

Table 8. Estimated Albany-Based 2035 Annual Ridership for HSR Service (one-way trips)

Albany to:	79/90 mph	110 mph	220 mph
Buffalo	280,800	329,500	623,400
Montreal	156,000	167,900	324,000
NYC	1,152,300	1,291,800	2,252,200
Boston	270,000	315,300	589,300
TOTAL	1,859,100	2,104,500	3,788,900

Ridership estimates are illustrative examples based on prior studies conducted for various HSR operating scenarios.



Local Impact (Visitor Spending and Station Area Development).

Local interviews with convention, tourism and planning officials indicate that the HSR impacts on business attraction and local investment will vary, depending on train speeds and frequencies, and on the capacity and timing of available convention center facilities.

- With the modest, currently planned speed improvements, impacts will be relatively small—in the range of 1,000 tourism-related jobs (in the hotel, restaurant, museum, performing arts, and scenic travel service industries) and 2,000 technology-related jobs (in professional and technical services, engineering, computer data processing, and chemical and electrical product manufacturing) are projected by the 2035 target study date.
- However, with travel times to New York City cut to less than two hours, the number of potential additional jobs attracted to the region could grow to 2,500 visitors (tourism and convention business-related jobs) and 6,000 technology-based office and industry jobs by the year 2035.

Regional Economy. In addition to the direct growth of business activities supported by visitor spending, and the direct attraction of development around new HSR stations, the proposed rail service will have broader regional impacts on travel time and cost savings for train riders. It will also reduce congestion for those still riding or driving cars and trucks to and from New York City. The proposed service will additionally provide regional productivity benefits in terms of economies of scale from broader tourism markets and linkages to partner firms in state government, as well as emerging nano-technology, clean energy and computer chip-related industries.

The total potential long-term economic impact of proposed high-speed rail service will grow over time as rail service is fully implemented and as savings in travel time, expense, and congestion reduction are realized. It will ultimately also depend on travel speeds and schedules.

The current plan is for incremental speed improvement (79-90 mph peak), although two alternative scenarios are also considered—in which service is upgraded to medium-speed (110 mph peak) as well as full high-speed service (220 mph peak).

- The business sales impact is projected to be in the range of \$358 to \$534 million per year for incremental and medium-speed service, rising dramatically to nearly \$2.5 billion per year with full high-speed rail service.
- The employment impact similarly varies, from some 3,200 to 4,700 permanent jobs added by the year 2035, rising dramatically to more than 21,000 jobs with full high-speed rail service.

Table 9. Estimated Annual Economic Impacts of Albany-Based HSR Service in 2035 (2009 \$)

Measure	Unit	79 / 90 mph	110 mph	220 mph
2035 Employment	Jobs	3,184	4,703	21,361
2035 Output (Sales)	\$m per year	\$357.9	\$534.4	\$2,485.6
2035 Value-Added (GRP)	\$m per year	\$205.9	\$308.4	\$1,444.6
2035 Wages	\$m per year	\$158.7	\$238.5	\$1,118.2

These estimates of the potential economic impact are meant to be interpreted as potential impacts dependent on: (a) Full implementation of the proposed HSR system, (b) A metropolitan economy that remains healthy and continues to grow during the next twenty years, and (c) Supportive public policies and infrastructure investments to allow the benefits of HSR to be realized, and the projected additional business development to occur.